

PACIFIC FRUIT EXPRESS COMPANY

November News Letter

San Francisco, November 17, 1954

ALL P.F.E. EMPLOYEES:

P.F.E. Loadings

	<u>1954</u>			<u>1953</u>		
	<u>PFE Cars</u>	<u>Foreigns</u>	<u>Total</u>	<u>PFE Cars</u>	<u>Foreigns</u>	<u>Total</u>
October	33,692	2,257	35,949	35,841	4,344	40,185
Jan.-Oct.	305,588	32,676	338,264	316,014	43,613	359,627

The reduction in PFEs loaded, amounting to 2,149 cars in October and 10,426 cars for the ten-month period, while not as severe as the reduction in our total loadings including foreign cars, does indicate the necessity for some adjustments which have been made. It is hoped that all concerned will make every effort to reduce expenses and, at the same time, gather all the traffic susceptible to our handling so that we may soon return to our normal and stabilized operations.

Car Situation:

A rather close situation developed in Northern California during the last ten days of October when an accelerated production of all vegetables occurred as a result of an extended period of warm, clear weather. This situation eased in the first week of November when there was a simultaneous reduction in loadings and an improved west tide. The heavy eastbound loading throughout the last half of October is expected to produce a west tide during November far in excess of requirements and to avoid an over-supply of idle cars on contract lines every effort is being made to inject PFE cars into eastern foreign line service.

Crop Conditions - Western Territory - Southern Pacific:

In Central District grape harvest is about completed with Emperor Grapes heavily stored in ice plants throughout the San Joaquin and Santa Clara Valleys from which they will be shipped through November in accordance with market demands. Celery will move in volume from the Delta area until the Thanksgiving markets, after which shipments will decline steadily. Tomatoes, although over the peak of production, are moving out in good volume and shipments will continue until stopped by cold weather. Navel Orange shipments have started from Porterville district where the crop is reported to be the largest in several years.

In Western District lettuce harvest is on the down grade and shipments will cease around the middle of November. Celery, carrots and winter

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San Francisco, November 15, 1954

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P.F.E. Loadings

	1954		1953	
	P.F.E. Cars	Total	P.F.E. Cars	Total
October	33,692	35,257	35,841	40,182
Jan.-Oct.	305,588	32,646	316,011	352,613 - 352,627

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Crop Conditions - Western Territory - Southern Pacific:

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In Western District lettuce harvest is on the down grade and shipments will cease during the middle of November. Celery, carrots and winter

vegetables will move in volume consistent with market demands. Canned goods shipments from Bay Area plants will move in normal volume as will the weekly banana shipments from Port of San Francisco.

In Southwest District lettuce harvest has started in the Salt River Valley and will reach heavy production around November 15th with shipments from Yuma and Imperial Valleys to follow later in the month. Vegetable season along the West Coast of Mexico will be underway shortly. Miscellaneous vegetables will continue from Guadalupe district through the month while citrus loadings throughout Southern California will decrease gradually.

In Oregon potato shipments from Klamath Basin are moving regularly but in light volume due to poor markets. Pear storages in Medford District are light and shipments are running around ten cars daily.

On T&NO the vegetable movement from Rio Grande Valley is starting slowly as early crops are light due to excessive rains experienced during growing period. There has been considerable replanting and heavy production will come in later than usual.

Along Union Pacific:

The potato harvest is about completed and stocks for the most part are safely stored. Shipments are moving slightly below normal volume although markets are more favorable than last year. With the lighter national production, shippers appear to be holding for an advance in prices. Onion harvest in southwestern Idaho is completed and warehouses are well supplied with dry mature stocks. Shippers are optimistic as to future markets and movement should proceed in steady volume.

In the Northwest District all shipping should be in normal volume consisting principally of pears, apples and frozen foods.

In Eastern District the Colorado potatoes are reported to be of exceptionally good quality although the yield was less than last year. The crop has been stored and shipments should be regular during the month. Nebraska potatoes also are of good quality and will move in increasing volume with completion of harvest.

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The attachment for this month's News Letter is an address by Paul S. Armstrong, General Manager, Sunkist Growers, Los Angeles, entitled "Changes Around Us" which was delivered at the 95th Regular Meeting of Pacific Coast Shippers' Advisory Board at the Biltmore Hotel, Los Angeles, September 10, 1954. Am sure you will find much of interest therein.

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The attachment for this month's News Letter is an address by Paul S. Armstrong, General Manager, Sunnyside Growers, Los Angeles, entitled "Changes Around Us" which was delivered at the 25th Regular Meeting of Pacific Coast Shippers' Advisory Board at the Biltmore Hotel, Los Angeles, September 10, 1934. Am sure you will find much of interest therein.

- 3 -

"Happiness is not a station you arrive at,
but a manner of traveling."

-Margaret Lee Runbeck

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Best wishes to all for a Happy Thanksgiving.

K. V. PLUMMER

Attachment

- 3 -

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K. V. PLUMMER

Attachment

ADDRESS BY PAUL S. ARMSTRONG

General Manager, Sunkist Growers, Los Angeles, California

I decided to talk about these changes that are going on about us in every walk of life and that affect us all, both personally and in a business sense, and of which we are all aware in general, but I want to pinpoint some of the things that are actually happening that are very significant in their effects.

There is an old saying that nothing is certain in this world except the certainty of change. Or as stated by the Roman, Pliny the elder, who was born in Gaul in A.D. 32, quoting him, he said, in his language, Latin:

"The only certainty is that nothing is certain."

Changes happen in all industries all the time. It is just the normal way of life. And I don't need to tell you people in this group that something is happening to California and it is happening awfully fast, so fast that those of us who have lived here for some time scarcely realize it and are really not up to keeping pace with it in all respects.

Basically, the reason that is occurring, aside from the migration of population, is the fact that California is changing from an economy based on agriculture to an economy based on industry.

I believe that this new economy is solidly founded, although I think it would be better, and particularly in Southern California would it be better, if the industries that we have were even more diversified and did not rely so heavily upon the aircraft industry as the chief industrial employer, which I understand accounts for about 45 per cent of the people gainfully employed in manufacturing in the Southern California area at the present time.

From an economic standpoint, life consists of the exchange of goods and services among people. The mere presence of people creates a certain amount of business, but such business will not endure unless it is supported by one or more sources of basic wealth.

Basic wealth, we should never forget, comes only from production. We sometimes visit around here some of the ghost towns that have had an economic support in years gone by, but when that disappeared, whether it be mining or lumbering, or what not, the town disappeared also, because the people just couldn't live off of each other unless somebody produced something.

Now, there are three principal sources of basic wealth in any community or any nation and they are, first, agriculture, in which is included as a group the fisheries and forestry.

In the second group there is the mining of natural resources, both metals and petroleum and other things of that sort.

ADDRESS BY PAUL S. ARMSTRONG

General Manager, Nurseries Growers, Los Angeles, California

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Now, there are three principal sources of basic wealth in any community or any nation and they are, first, agriculture, in which is included as a group the fisheries and forestry.

In the second group there is the mining of natural resources, both metals and petroleum and other things of that sort.

And the third is manufacturing, which is the change of raw materials into more valuable form by the use of tools and human labor.

The region that is served by this Advisory Board is blessed with all three of these sources of wealth in good measure. And notwithstanding this rapid industrialization that is going on in this region, California again last year led the nation among all the 48 states in the value of its agricultural products.

The agricultural figure for California, f.o.b. the farm, last year for all our agricultural products combined was 2 billion 600 million dollars.

In second place last year was Iowa, and third was Illinois. Fourth was the great State of Texas, and fifth place, was the State of Minnesota.

Now, California, because of the differences in latitude and altitude in this large state, has perhaps the greatest diversity of agricultural products of any state. I know they have more, many more than other states, as to variety.

There are about 200 different agricultural products in this state that are of sufficient volume to be classified as commercial production.

It is interesting to see through the years the changes that have occurred in the ranking of these basic crops of California, as to their farm value.

Last year the No. 1 crop, which you can readily guess, I am sure, was cotton, with a farm value of \$318,000,000.00.

In second place last year was citrus fruits, with a farm value of \$126,000,000.00.

The third one you probably wouldn't guess as readily, was hay, with a value of \$124,000,000.00.

And the fourth one was grapes, all kinds of grapes, raisins, wine and table grapes, \$107,000,000.00.

And in fifth place, among these 200 different crops, was lettuce with \$79,000,000.00.

We hear a lot said these days about the American way of life, the liberty of the individual, sometimes referred to as the free enterprise system. Under this system everyone has the freedom of choice as to his occupation and where to pursue it. Also under this system if any occupation is relatively attractive as compared with others, and the outlook promising, new people enter it and production increases. Sometimes to a point where it is overdone.

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It is interesting to see through the years the changes that have occurred in the ranking of these basic crops of California, as to their farm value.

Last year the No. 1 crop, which you can readily guess, I am sure, was cotton, with a farm value of \$18,000,000.00.

In second place last year was citrus fruits, with a farm value of \$12,000,000.00.

The third one you probably wouldn't guess as readily, was hay, with a value of \$14,000,000.00.

And the fourth one was grapes; all kinds of grapes, raisins, wine and table grapes, \$10,000,000.00.

And in fifth place, among these 200 different crops, was potatoes with \$7,000,000.00.

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Conversely, people will leave an industry as investors or

workers in it, if the outlook is not good, and under this stimulating system resourcefulness and inventive genius are ever at work. Old things and old methods give way to new and some enterprises and occupations disappear altogether.

You can think of some of those very readily, and I will not detail them.

We are all striving to perpetuate this system of freedom of choice in America. We wouldn't have it any other way. But it does bring problems.

It brings problems, I know from personal experience, to the citrus industry, and it brings problems to every other industry represented here.

For example, a very apt one would be transportation. Just in the lifetime of all of us in this room vast changes have occurred in the transportation system of this country. The advent and the growth of trucks. The development of bus transportation for passengers, and more recently air. And, of course, pipe lines are growing all the time.

And then, within the railroad industry itself, somebody told me that there were only three steam locomotives built for use in the United States last year. Just think of the changes that have to be made in operations -- in fuel arrangements and in the people that manufactured steam locomotives. They all had to get into something else, but quick, or else they would have nothing to do.

I was talking to Oscar Smith here, who for years operated our interurban and city street car system -- the Pacific Electric. When I was a boy I think that one could hardly imagine a more secure occupation than to be the head of the Traction Company or the Municipal street car facilities in the city in which he lived.

Now, there are scarcely any cities that I know of in this country but what have torn up the street car tracks and have gone to buses or some other form of transportation.

Another one I think of is a very striking example -- television. Television is still relatively young, but it is causing some of the most tremendous changes of anything that has come into our way of life. Not only changes in our habits, but changes, for instance, in the amount of reading that people do. You know the effect that it has had upon motion picture attendance. I understand that about 5,000 motion picture theaters throughout the United States have been closed because of the competition of television programs in the home. Even radio, which had a head start on television, has been very seriously affected by the entertainment medium that includes not only hearing, but also sight. And I think we could get plenty of witnesses right in this room who would testify to the changes that television has made in the family life, in their own home.

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We are getting to a point where you almost have to have one television set for the children and one for the adults. We are getting now so that people, housewives, who otherwise are very upright and loyal and capable, are buying frozen television plate dinners and serving them in front of the television set, which goes by the name of "dinner."

One of the most profound effects that this will have is on the devotion of a person's time to reading. I wouldn't want to say anything disparagingly, certainly, about television. It has a great many charms, but you do get into the habit of looking at it too much and kind of adopting a schedule of living that is based upon the timing of the programs.

The changes that are being wrought by that industry are still in their infancy and when we have color, it will be even more pronounced.

Another major industry that has had some tremendous changes due to the development of alternative products is the textile industry. I doubt if there ever will be a time when one would be justified in planting more mulberry trees in Japan to raise silkworms, because of the intervention of the synthetic fibers of one kind or another, which are getting better and better all the time. They are displacing not only cotton, but silk, and the end is not yet.

Coming to another field. Look at the changes that have been wrought in our daily lives by the development of self-service stores. Thousands and thousands of retail food stores have been closed and their locations abandoned to make way for supermarkets. I can well remember when there were 500,000 retail food stores in the United States. Today there are about 350,000 serving a larger population and each doing a vastly greater volume of business than was done by the individual store of the past. It has brought a new type of merchandising into our lives. In the self-service store nobody sells you anything. You make your own decision. That affects the merchandising plans of distributors. Much of the buying is done on an impulse basis.

I am tempted to tell a little incident, although it is not related to this subject particularly. They have a system now of making studies of the buying habits of people in self-service stores by concealing a motion picture camera which takes a continuous film and they put one of these cameras in six stores at the counter selling bacon. They were able to analyze, by going over this film in slow motion, the number of people that came to the bacon counter; the percentage of men and women; the percentage of customers and particularly the number of times different packages of bacon were picked up to make a selection.

You just wouldn't believe it in a thing like a packaged pound of bacon, but on the average, the women, who were in the majority among the shoppers, picked up five different packages of bacon and discarded four of them before they got to one that pleased

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You just wouldn't believe it in a thing like a packaged pound of bacon, but on the average, the women, who were in the majority among the shoppers, picked up five different packages of bacon and discarded four of them before they got to one that pleased

them. That isn't very good on some types of fruit.

Where a man and woman were together they had to have a meeting of the minds on which was the best pound of bacon, and that required 5.7 packages to satisfy their curiosity. They even had about 2 per cent of the cases where they pick up -- and this is a recorded film -- 20 different packages of bacon to select one pound and all of them just about as alike as anything you could get.

Just think of picking up cantaloupes. That is my particular weakness and a rather unsuccessful one, I might add.

Now, the changes that I have just related are only a few of them. You can think of many more. They are brought about, of course, by invention, progress in the arts and sciences, but many of them are brought about by the imperativeness to save human labor, due to the high cost of labor.

Whether you want to make a change in your business or not, if you are going to keep up with the parade, you have got to adopt labor-saving devices and use the utmost of invention at your disposal and research to find ways to do things in a way that requires less human labor.

As a matter of fact, the tools of industry, as well as research and invention, that have enabled us to multiply our output per worker in this country, and which in turn, have made possible the very high standard of living that we enjoy in the United States, have also made a terrific change in the occupations of people. It is true that throughout many parts of the world even today -- I know the Colonel has been all over, and would bear witness to this -- the struggle for existence is such that the people, and most of the people, have to spend all of their time just getting enough to eat and a place to be sheltered.

It wasn't so long ago that that was almost the case in the United States. The record shows that 100 years ago three out of four people gainfully employed in the United States lived on the farm. Their full time was required from dawn until dark during the growing season to grow enough food for themselves and for the other fourth of the people that lived in cities and did other things.

By the turn of the century in 1900, that percentage had been reduced to 50 per cent.

Now, what do you think it is today? Bearing in mind that we now have the greatest agricultural production we have ever known from about the same land area that we had 40 years ago, and that the percentage of people employed in agriculture today is 1/7th, they produce all the food they can use, all they can sell to the rest of the citizens and have an exportable surplus of most everything.

That is due to specialization -- the growing of things in places where they grow best; plant breeding, fertilization,

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Where a man and woman were together they had to have a meeting of the minds on which was the best pound of bacon, and that required 2.7 packages to satisfy their curiosity. They even had about 2 packages of the cases where they pick up -- and this is a recorded film -- 128 different packages of bacon to select one pound and all of them just about as alike as anything you could get.

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It wasn't so long ago that that was almost the case in the United States. The record shows that 100 years ago three out of four people actually employed in the United States lived on the farm. Their full time was required from dawn until dark during the growing season to grow enough food for themselves and for the fourth of the people that lived in cities and did other things.

By the turn of the century in 1900, that percentage had been reduced to 25 per cent.

Now, what do you think it is today? Hearing in mind that we now have the greatest agricultural production we have ever known from about the same land area that we had 40 years ago, and that the percentage of people employed in agriculture today is 1/7th, they produce all the food they can use, all they can sell to the rest of the citizens and have an exportable surplus of most everything.

That is due to specialization -- the growing of things in places where they grow best; plant breeding, fertilization,

mechanization of as many of the agricultural operations as can be accomplished.

Plant and animal breeding and all of these other things have advanced the science of agriculture.

It is said to be the mark of a very luxurious and advanced civilization when more than half of the working population is engaged in the distribution of goods and services. That is the situation in the United States and it does not exist elsewhere in the world in any country.

There are employed in the United States as a whole, according to the last census of occupation, 15 per cent of the working population in the extractive industries, which would be agriculture, mining, forestry and things of that kind; 31 per cent in manufacturing of all kinds, but 54 per cent in the distribution of goods and services, which includes all of us here who are salesmen, teachers, the professional people, who don't produce anything of themselves, but are engaged in providing either service of distribution or service of culture or education or something else.

If we take Los Angeles County, and this is somewhat typical of all large cities, we find, and bear in mind Los Angeles County until a year or so ago was the No. 1 county in the United States in agricultural production (it has now been exceeded by Fresno and Kern and Tulare because of cotton), only three per cent of the population worked in the extractive industry; 34 per cent in manufacturing as compared to 31 per cent (the national average), and 63 per cent in the distribution of goods and services.

There are three times as many people who work for government in Los Angeles County as work in agriculture -- three times as many.

As people change their occupations and the locations where they practice them many things happen and we see them going on all about us all the time. There is too much talking going around, for instance, that the citrus industry is on its way out because the bulldozers have gotten them to use the land for residential purposes.

As we drive along the major boulevards and see the groves being taken out and see the rather decrepit condition of some of those that remain, those observations would seem to be confirmed. But that is not so in fact.

Citrus is still the leading fruit crop of California. As I said, it had a farm value last year of \$126,000,000.00 and would have an f.o.b. value after packing of around \$200,000,000.00. It is second only to cotton among the agricultural commodities of California.

12,000 acres of citrus fruit were removed last year for residential building and industrial plant sites, mostly in the perimeter of Los Angeles and in Orange County and around San Diego, and during the last five years over 32,000 acres have been removed

mechanization of as many of the agricultural operations as can be accomplished.

Plant and animal breeding and all of these other things have advanced the science of agriculture.

It is said to be the mark of a very luxurious and advanced civilization when more than half of the working population is engaged in the distribution of goods and services. That is the situation in the United States and it does not exist elsewhere in the world in any country.

There are employed in the United States as a whole, according to the last census of occupation, 15 per cent of the working population in the extractive industries, which would be agriculture, mining, forestry and things of that kind; 31 per cent in manufacturing of all kinds, but 54 per cent in the distribution of goods and services, which includes all of us here who are salesmen, teachers, the professional people, who don't produce anything of themselves, but are engaged in providing either service of distribution or service of culture or education or something else.

If we take Los Angeles County, and this is somewhat typical of all large cities, we find, and bear in mind Los Angeles County until a year or so ago was the No. 1 county in the United States in agricultural production (it has now been exceeded by Fresno and Kern and Tulare because of cotton), only three per cent of the population worked in the extractive industry; 34 per cent in manufacturing as compared to 31 per cent (the national average), and 63 per cent in the distribution of goods and services.

There are three times as many people who work for government in Los Angeles County as work in agriculture -- three times as many.

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to devote the land to some other purpose. As we express it, they have been "budded over to bungalows." That is about a 10 per cent reduction in the total citrus acreage which at that time, five years ago, was about 325,000 acres.

Relatively little new planting has been done during that time, although there is some going on at present where there is land and water available. But 280,000 acres remain. You may not see it all as you drive around, but that is what exists here and in Arizona, 270,000 acres in bearing, 10,000 acres of young trees not yet in bearing, and this acreage alone foretells that we will have a long continued operation in this citrus industry on a big scale.

We are getting some changes in the form of use through the frozen concentrates, but the basic production will certainly continue.

I have said out in grower meetings in the country that I can't recall a time in my experience in the industry that was a better time to plant a new grove than right now, because when that comes into fruition 10 or 12 years hence there will be plenty of demand to make it a worth-while venture. Now, one of the reasons for that is something that affects all of us no matter what your business is, and that includes transportation. It is the increase in population in the United States about which you have read various versions in view of our food surpluses of today. You wouldn't believe it, but the long range planners are already worried, and I mean really worried as to where the food supply for America is going to come from 25 years hence.

I was surprised myself to learn from an authoritative report that the national cropland devoted to agriculture in the United States has not changed appreciably since 1910.

What has changed is that when horses and mules ceased to be the motive power of the farm and tractors and trucks were substituted, that released about one-third of the arable land then under cultivation for the production of human food rather than animal feed.

But that transition has been largely accomplished and it only requires about five per cent of the crop land to produce the food required by the work animal. That, of course, does not include cattle.

The growth of the population itself will increase demand. Southern California is adding 200,000 people each year and other regions in this Board's territory are doing the same.

The Pacific Northwest is doing likewise. The Bureau of the Census estimates that at the present rate of population growth, which is two million a year for the United States -- this particular year is two and a half million -- we will have in this country by 1975, 25 years after the 1950 census, a population of 38,000,000 more people superimposed upon the population we already have, which is a little over 162,000,000, or in other words, over 200,000,000 population.

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That means, to visualize it, that where four people sit down to dinner now and require four plates and the food to fill them, that in 1975 there will be a fifth plate on that table for which somebody will have to provide the food supply.

Now, statistics about population are pretty dull and hard to remember, but I can visualize this figure of an increase of 38,000,000 people by 1975, by saying that it is equivalent to adding on top of the population we already have in the United States, a population equal to the combined present populations of all of the 18 states west of the Missouri River, or to put it another way, it is equivalent to all of the Southern states' present population combined; or, on the Atlantic Coast, of the present population of the entire Atlantic Coast -- those populous states from Maine to Virginia. That is the number of people that will be added to our present population.

Food is a little different than other products, as far as human demand is concerned. The average person requires about 3,000 calories a day of food energy to sustain life and good health and to maintain a good diet, and he cannot use much more.

A family, if they can afford it, may have two or three automobiles if they want them. They can have a larger house. They can have numerous suits, dresses or pairs of shoes or two television sets, as I say, one for the children and one for the adults, but they can only consume so much food. They can vary the diet. They can upgrade the diet and choose the more expensive foods, but it doesn't add to the total. In fact, as a person's wealth increases and his manual labor decreases he is not able to consume as much food as before and usually has to go on a diet.

A recent study was made by an agricultural economist of the Giannini Foundation, University of California, estimates the percentage changes in food consumption between 1950 and 1975, taking into account the changes in food habits and also the growth of the population, thus some foods will show a reduction in per capita consumption, but in spite of this a large quantity of food will be required because of the increase in population.

I want to give you just a few examples about that in closing. For instance, meat of all kinds. This forecast assumes that the per capita consumption of meat in the next few years, between now and 1975, will increase 17 per cent over the present consumption per person per year, but because of the added population on top of the increased per capita consumption, there will be required 60 per cent more meat that we now have.

In the case of eggs, they estimate a 2.6 per cent increase per capita, but there again because of the increase in population we will require 40 per cent more eggs.

Dairy products, 5 per cent per capita, 43 per cent total.

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Apples, a decrease in per capita consumption of 4 per cent per person per year, but because of the increased population we would still need 31 per cent more apples than we now have.

In the citrus fruits, they estimate an increase, probably, because of these new forms of use like the frozen juice, of 50 per cent in per capita consumption between now and 1975, which when the population increases will require 104 per cent or double our present production of citrus fruits.

Potatoes have suffered, because of changes in dietary habits, a 14 per cent reduction in per capita consumption, but because of the increased population we will need 17 per cent more potatoes. Most potato growers will think that is questionable.

On wheat, a reduction of 4 per cent per capita, but increased requirements of 31 per cent.

And finally cotton, a reduction of 8 per cent per capita, but an increase of 25 per cent because of the greater population.

For all foods combined, this is an estimate, of course. It has to be that, but they estimate that 50 per cent more food will be required to meet the needs of 1975 with the increased population and the changes in per capita consumption that is now required by the present population, all of which augers well for the outlook for agriculture and, of course, agriculture is exceedingly important to regions in which this Board operates.

There are changes in every industry. These changes are bound to occur and the methods of business, including transportation, will change, but there will always be business to be done and there will always be goods to be moved from one place to another.

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